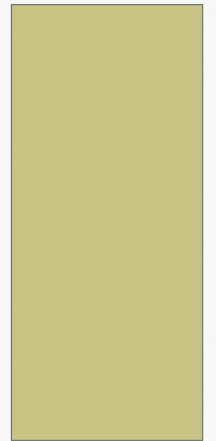


TOWN MANAGER FY18 BUDGET JANUARY 2017

TOWN DEPARTMENTS



TOWN MANAGER FY18 BUDGET

JANUARY 2017

- **Tuesday** – Overview (Bob LeLacheur); Administrative Services (Matt Kraunelis); Finance (Sharon Angstrom); Benefits & Misc. (Bob); Facilities (Joe Huggins); Capital & Debt (Bob)
- **Wednesday** – Police & Dispatch (Mark Segalla); Fire & EMS (Greg Burns); Public Services (Jean Delios)
- **Thursday** – Library (Amy Lannon & Library Trustees); Public Works (Jeff Zager); Enterprise Funds (Bob)
- **January 24th** – Wrap-Up Discussion

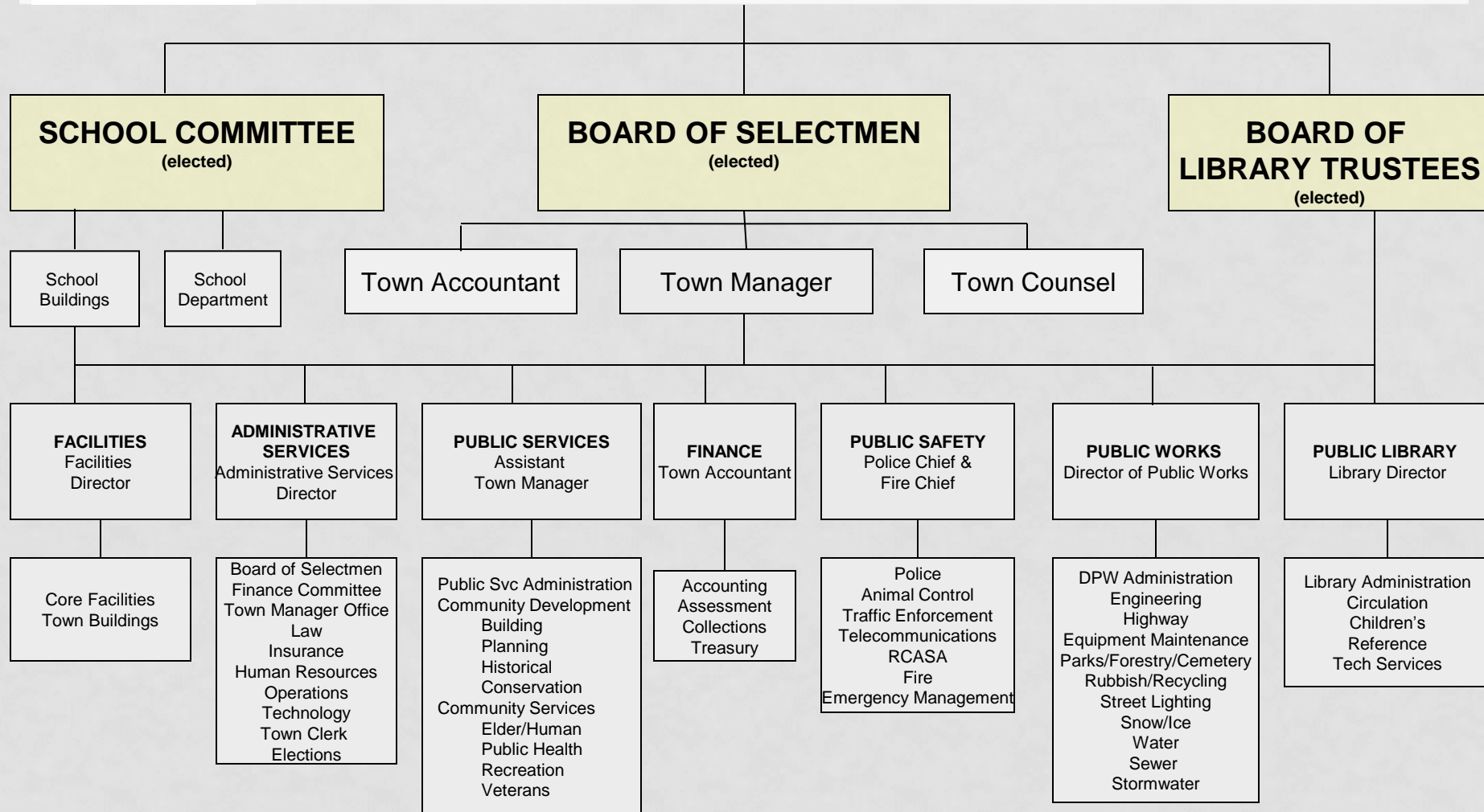


TOWN OF READING, MA

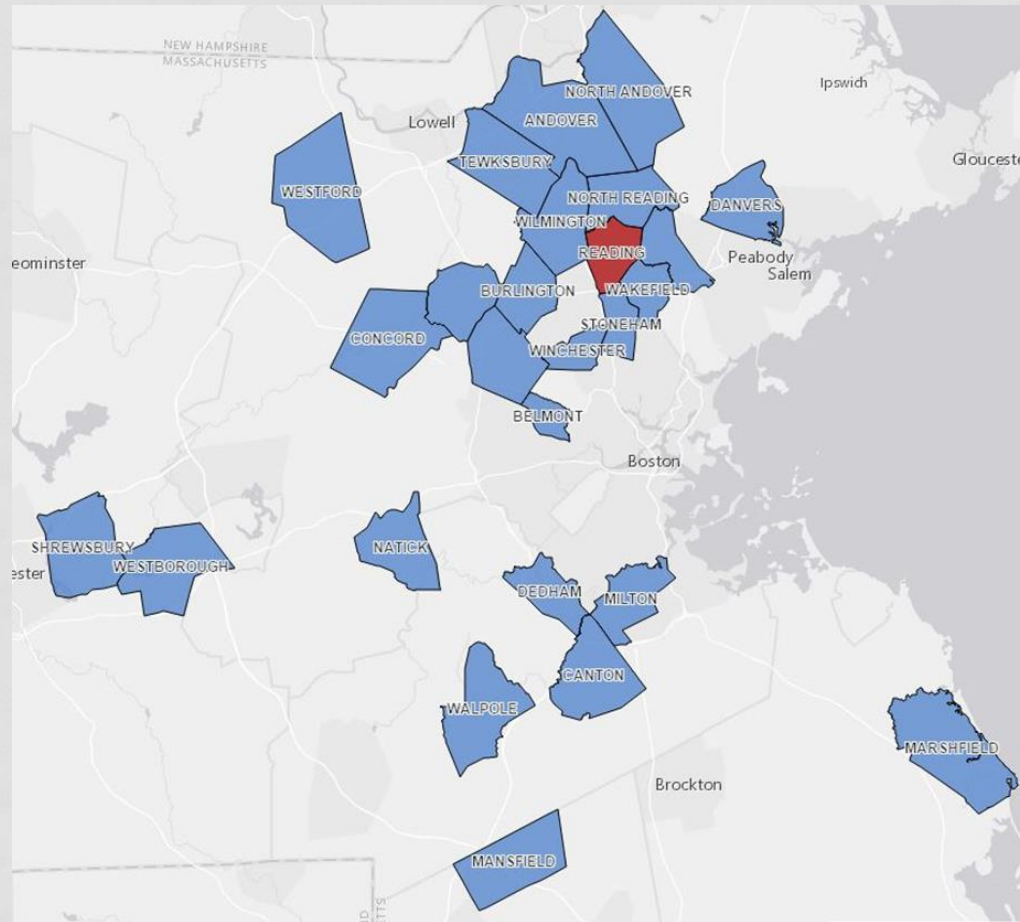
EXECUTIVE BRANCH

TABLE OF ORGANIZATION

(APRIL 2017 TOWN MEETING)



PEER COMMUNITIES



Source: Stone Consulting (2008) and Human Resource Partners (2013)

PEERS - REVENUES

	Reading	Peer Communities
Tax Levy	60.5%	66.6%
<i>Residential</i>	91.4%	76.9%
<i>Residential</i>	<i>\$53.8 mil.</i>	<i>\$54.8 mil.</i>
<i>CIP</i>	8.6%	23.1%
<i>CIP</i>	<i>\$5.0 mil.</i>	<i>\$17.3 mil.</i>
State Aid	13.7%	11.0%
Local Receipts	21.6%	17.5%
Other	4.2%	4.9%

Source: MA DOR

PEERS - EXPENSES

% of Budget Spending	Reading	Peer Communities	Difference
Public Safety	9.2%	8.7%	+0.5%
Culture & Recreation	2.1%	1.7%	+0.4%
Education	39.3%	39.1%	+0.2%
DPW	5.1%	4.9%	+0.2%
Human Service	0.6%	0.7%	-0.1%
Fixed Costs & Debt	17.7%	17.8%	-0.1%
Other (Ent Funds)	22.4%	22.8%	-0.4%
Gen'l Gov't	3.6%	4.3%	-0.7%

Source: MA DOR – budgets include Enterprise Funds
 Reading \$97 mil.; Peers average is \$108 mil.

BACKGROUND

- Spring 2016 Public Listening Sessions through a Special Election October 2016
- January 2017 the community is seeing budgets from the Town and Schools that are precisely what we described – actually a bit better because we are using \$1 million+ in Free Cash to balance
 - Out of Districts SPED savings - \$200k to school operating
 - Fuel savings - \$50k to capital from town budget
 - Pension - \$100k of savings – reduce use of Free Cash
- Fees – we explained last summer that fee increases will not fix the structural deficit, but we would present them in January 2017 if an Override failed to be implemented a year from now. Fees must be justified by through analysis of cost of services and not just ‘what the market will pay’.

BUDGET OVERVIEW

Department	FY17	FY18	Change
Admin. Services	\$2,715,715	\$2,752,400	+1.4%
Public Services	1,641,575	1,633,125	-0.5%
Finance	790,550	805,050	+1.8%
Police	4,809,850	4,777,250	-0.7%
Dispatch	565,150	575,575	+1.8%
Fire & EMS	4,606,450	4,702,100	+2.1%
Public Works Dept.	3,352,480	3,362,575	+0.3%
DPW Snow, Rubbish, Str Lights	2,355,000	2,411,500	+2.4%
Facilities CORE	2,856,210	2,997,180	+4.9%
Facilities Town bldgs	286,890	299,935	+4.5%
Public Library	1,508,000	1,526,883	+1.3%
Totals	\$25,487,870	\$25,843,573	+1.4%

STAFFING REDUCTIONS

Department	Eliminations	Other	Total
Admin. Services	\$22,500	\$69,750	\$92,250
Public Services	\$113,250	(\$60,025)	\$53,225
Finance		\$1,000	\$1,000
Police	\$75,000	(\$15,000)	\$60,000
Dispatch		\$2,000	\$2,000
Fire & EMS	\$65,000	(\$20,000)	\$45,000
Public Works Dept.	\$22,000	\$3,000	\$25,000
Totals	\$297,750	(\$19,275)	\$278,475

Reduce equivalent of 7.5 FTEs

Operations Specialist, Election Workers, Unspent Pay & Class Funding, Public Services Office Manager, Zoning Enforcement Officer, Community Services Director, Pleasant Street Center hours, Police Patrol Officer, Firefighter/EMT, Public Works Highway LT Laborer, Library Sunday hours

IMPACTS

- **\$126,000 savings from changes to the Management Team** (Town Manager, Department Heads and Assistant Department Heads)
 - 5.4% Reduction in staffing from 697.5 hrs/wk to 660 hrs/wk
 - Some savings because of employee turnover
 - Reading has only 8 Department Heads, well below Peer Community levels. This makes for an efficient organization, but at that size the impacts of reductions are magnified
 - The Reading Management Team does far more hands-on work because their department staffing levels are modest, given the output of work delivered

IMPACTS

- Less hours of service to the public
 - Library – loss of Sunday Hours
 - Pleasant Street Center – loss of 260 hours M-F
 - Reduced staff participation in community events
 - Unsustainable staffing levels for night-time government
 - More details will be forthcoming from individual department budget presentations

HIDDEN IMPACTS

- Town has managed budgets very conservatively for the past four years, or in the parlance of the School department, we have cut from level services each year.

EXAMPLE: The FY18 budget shows a reduction of one Police Patrol Officer. If an Override had passed, that reduction would not have been needed and two additional Officers would have been hired in the first year. Further, we expected to be able to hire one additional officer every 3-5 years as long as we continued to manage our finances well. Level services in the Police department, in my view, is somewhere between 4 and 8 additional officers, or an additional cost of \$300,000 to \$600,000.

Every Town department has a similar story.

CONCLUDING OVERVIEW REMARKS

- In the Town Manager's annual budget message, each year this phrase concludes my remarks:

"... As always, we will all strive to meet the expectations of the community with whatever levels of resources that are made available ..."

- Next year will be no different, we will strive, and many residents will be satisfied. However, over the past few years there is a clear trend for a growing number of residents to be dissatisfied. Discussions often center on recent home purchases made because Reading is seen as a high-value community, where the service levels from the town and schools are high relative compared to the cost I'm still in search of that mythical Free Lunch.